

# FINAL BILL REPORT

## SHB 1420

---

---

**C 505 L 09**  
Synopsis as Enacted

**Brief Description:** Revising real estate seller disclosure requirements.

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Maxwell, Williams, Chandler, Wood, Hinkle and Kelley).

**House Committee on Commerce & Labor**  
**Senate Committee on Financial Institutions, Housing & Insurance**

### **Background:**

A seller of residential land must provide a buyer with a disclosure statement about the land unless the buyer waives the right to receive it. The disclosure requirement applies to sales of unimproved residential land and improved residential land.

The disclosure forms are specified in statute. The disclosure for unimproved residential land concerns title, water, sewer/septic systems, electrical/gas, flooding, soil stability, environmental, and homeowners' association/common interests. The disclosure for improved residential land concerns title, water, sewer/on-site sewage system, structural, systems and fixtures, homeowners' association/common interests, environmental, and manufactured and mobile homes.

The disclosure statement must be provided within five business days, or as otherwise agreed to, after mutual acceptance of a written purchase agreement between a buyer and a seller. Within three business days of receiving the disclosure statement, the buyer has the right to approve and accept the statement or rescind the agreement for purchase. If the seller fails to provide the statement, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after receipt of the statement.

Transfer to a buyer who expressly waives receipt of the disclosure statement is exempted. However, if the answer to any of the questions in the "Environmental" section would be "yes," the buyer may not waive receipt of that section.

### **Summary:**

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The definition of "unimproved residential real property" is modified to exclude timber land. A seller must amend the disclosure statement if the seller learns from a source other than the buyer of additional information or an adverse change that makes the disclosure inaccurate.

#### Unimproved Residential Real Property Disclosure Statement.

Several questions on the disclosure statement are modified in the title, flooding, soil stability, and environmental sections.

##### *Title.*

- The question regarding rights-of-way, easements, or access limitations is modified to ask whether they affect the buyer's use of the property rather than "may" affect the buyer's use of the property.
- The question relating to zoning violations, nonconforming uses, or any unusual restrictions on the property is modified to ask whether they affect future construction or remodeling rather than "would" affect future construction or remodeling.
- Rather than asking whether there are any covenants, conditions, or restrictions which affect the property, the question asks whether there are any recorded against the title.

##### *Flooding, Soil Stability, and Environmental.*

- Questions related to flooding, standing water, or drainage problems and fill dirt, waste, or other fill material are moved to the "Environmental" section.
- The question related to transmission poles is changed to ask whether there are transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property.
- The question related to radio towers is modified to ask for information about those that cause interference with cellular telephone reception.

#### Improved Residential Real Property Disclosure Statement.

Several questions on the disclosure statement are modified in the title, water, structural, systems and fixtures, and environmental sections.

##### *Title, Water, Structural, Systems and Fixtures.*

- Rather than asking whether there are any covenants, conditions, or restrictions which affect the property, the question asks whether there are any recorded against the title.
- A question is added about defects in the operation of the water system.
- Rather than asking whether the roof has ever leaked, the question asks whether the roof has leaked within the last five years.
- A question is added about whether the property has a wood stove, fireplace insert, pellet stove, or fireplace and whether the wood stove or fireplace inserts are certified as clean burning appliances to improve air quality and public health by the U.S. Environmental Protection Agency.

##### *Environmental.*

- A question is modified to ask whether there is any flooding, standing water, or drainage problems that affect the property or access to the property.
- A question is modified to ask about dirt, waste, or other fill material on the property.

- The question related to transmission poles is changed to ask whether there are transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property.
- The question related to radio towers is modified to ask for information about those that cause interference with cellular telephone reception.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	58	36	(House concurred)

**Effective:** July 26, 2009